

ORDINANCE NO. 024-129

AN ORDINANCE AUTHORIZING A
SECOND AMENDMENT OF A LEASE
OF PROPERTY LOCATED AT 350
NORTH ORLEANS STREET,
CHICAGO, ILLINOIS

WHEREAS, The Chicago Transit Authority ("Authority") currently leases space at 350 North Orleans Street, Chicago, Illinois (the "Property") from the Property owner, BRE River North Point Owner LLC, a Delaware limited liability company ("Landlord"), to operate the Authority's Data Center facility; and

WHEREAS, The lease of 20,823 square feet for the Data Center, approved by the Transit Board in 2017 per Ordinance No. 017-129, is necessary for the Authority to continue to provide technical support for bus and rail operations; and

WHEREAS, The lease was amended on August 10, 2020 (the "First Amendment"); and

WHEREAS, The lease is set to expire December 31, 2024 and staff recommends the continued use of the Property, and the parties have agreed to amend the lease (the "Second Amendment"); and

WHEREAS, The Second Amendment of the lease provides for a first year gross annual rent of Six Hundred Twenty-four Thousand Six Hundred Ninety Dollars (\$624,690.00), inclusive of all operating expenses in the base year, with two percent (2%) annual rent increases, requires the Authority to pay the amount of operating expenses that exceed the base year operating expenses in subsequent years, and has a term of five (5) years and five (5) months, with a five (5) year option to extend; and

WHEREAS, The amendment grants the Authority, as tenant, five (5) months of abated rent in year one and a tenant improvement allowance of Six Hundred Twenty-four Thousand Six Hundred Ninety Dollars (\$624,690.00), which may be convertible as a rent credit; and

WHEREAS, The lease will continue to require the Authority to indemnify the Landlord and will continue to contain a limitation of liability provision on behalf of the Landlord; and

WHEREAS, The Metropolitan Transit Authority Act, 70 ILCS 3605/8, provides that the Authority has the power to acquire any real property useful for its purposes; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

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SECTION 1. The Chicago Transit Board hereby approves a Second Amendment of a lease with the BRE River North Point Owner LLC of real property located at 350 North Orleans Street, Chicago, Illinois, depicted in Exhibit A hereto.

SECTION 2. The Chairman of the Chicago Transit Board, or designee, is authorized to execute a lease amendment which extends the lease for five (5) years and five (5) months from January 1, 2025 through May 30, 2030 and includes a five (5) year option to extend, has a first-year annual rental rate of Six Hundred Twenty-four Thousand Six Hundred Ninety Dollars (\$624,690.00) with two percent (2%) annual escalations and annual escalations for increased operating expenses, provides the Authority with five (5) months of rent abatement in the first year plus a tenant improvement allowance of Six Hundred Twenty-four Thousand Six Hundred Ninety Dollars (\$624,690.00), requires the Authority to continue to indemnify the Landlord, and contains such other terms as are substantially in conformance with the Second Amendment of the lease between BRE River North Point Owner LLC and Chicago Transit Authority attached as Exhibit B hereto.

SECTION 3. The Chairman, or designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

Chairman

October 9, 2024

PASSED:

Secretary

October 9, 2024